7 FEB 1978

MEMORANDUM FOR: Deputy Director of Security (PTOS)

Deputy Director of Security (PSI)
Deputy Director of Security (P&M)

FROM: Robert W. Gambino

Director of Security

SUBJECT:

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Mission of the Industrial Security Branch,

Physical Security Division (U)

1. (C) In Fiscal Year 1978 an Industrial Security Branch has been established in the Physical Security Division/PTOS. Positions for this new Branch have been partially allocated in FY78; additional positions are scheduled for allocation in FY79. The total complement of the Branch will consist of professional positions and 3 clerical positions. Partial staffing of the Branch has already been accomplished; although the full complement will not be available until FY79, personnel to fill all these positions will be assigned during FY78.

- 2. (U/AIUO) The Mission of the Industrial Security Branch is to assist me in implementing my responsibilities with respect to the Agency's Industrial Security Program. These responsibilities include the formulation of uniform industrial security policies and standards, the provision of guidance to Agency components and contractors with reference to the implementation of these policies and standards, and monitoring the compliance of Agency contractors with reference to such implementation.
- 3. (U/AIUO) To carry out this Mission, I am assigning the following functions to the Industrial Security Branch:
 - a. (C) To propose uniform industrial security policies, standards, and procedures for the protection of classified industrial contractual arrangements entered into by Agency contracting officers using Agency funds, and by contracting officers of the National Program.

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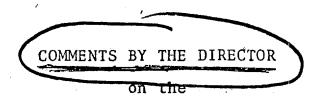
- b. (C) To conduct periodic, unannounced comprehensive security audits of Agency contracting facilities (including that portion of the National Program under the cognizance of the Deputy Director for Science and Technology) to ensure compliance with Agency industrial security policy standards and procedures.
- c. (U/AIUO) To make regular reviews of the implementation of the Agency's Industrial Security Program for purposes of submitting to me recommendations to ensure its continued effectiveness and efficiency.
- d. (U/AIUO) To serve as the focal point within the Office of Security for providing current guidance to Agency components concerning the implementation of Agency industrial security policy standards and procedures.
- e. (C) To coordinate the support rendered by other Office of Security components to Agency contracting facilities and contracting offices with reference to the Industrial Security Program, including computer security support, industrial polygraph support, and ACM support.
- 4. (U/AIUO) In carrying out these functions, the Industrial Security Branch will coordinate its activities as necessary with other appropriate components of the Office and the Agency.
- 5. (U/AIUO) In performing its Mission, the Industrial Security Branch will give priority initial consideration to the following objectives:
 - a. (U/AIUO) The development of an integrated, comprehensive security manual for the use of contracting offices and facilities which details Agency security requirements in the industrial environment. This manual will address security policies, standards, and procedures covering the protection of Agency information, including sensitive compartmented information.
 - b. (U/AIUO) During FY78 the conduct of at least 40 unannounced, comprehensive security audits of the most sensitive Agency contracting facilities.

c. (U/AIUO) The development of a plan to conduct periodic, unannounced comprehensive security audits of all Agency contracting facilities.

Robert/N. Gambino

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CONFIDENTIAL



INDUSTRIAL SECURITY INTERIM REPORT

This morning (29 December 1977) I received the DCI's copy of the Report and am passing his comments along to you for your information. Attached to the report was a buck slip from Mr. Blake suggesting his approval of our recommendations. The DCI comments: "Approved as annotated - Charge on - Good start - Thanks."

The Director commented on the Recommendations and Conclusions as follows:

DCI commented "Yes" after all Recommendations except as noted below.

Recommendation #4 - question mark. Comment: "OK for time being - I favor giving it all to Security - we've let it fall between cracks b4."

NO II.A. Conclusion, Paragraph 1, Page 2 - question mark. "sounds poor."

Recommendation #6 comment: "Again it seems to me they should all be in the O/Security."

Recommendation #10 - The term "security performance" is bracketed with a question mark.

On balance, it seems to me that our Interim Report was well received by the Director. I will be meeting with Mr. Blake to see if he has any further suggestions to clarify the Director's comments. Mr. Blake on his buck slip to me says, "High marks to all concerned." I wish to add my personal appreciation to all of you for your thoughtful participation in this first stage of our report.

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